Amendments to the Specification:

Please replace paragraph beginning on page 12, line 26 with the following amended paragraph:

Illustrated in (c) of FIG. 3 is the <u>interlaced</u> ~~progressive~~ video signal in the enhancement layer, having scanning lines of either the even-number or the odd-number fields of the input 60-fps interlaced moving-picture video signal, different in parity from the fields shown in (b) of FIG. 3. The number of scanning lines to be coded in (c) of FIG. 3 is half of those in (a) and (b) of FIG. 3. The <u>interlaced</u> ~~progressive~~ video signal indicated by solid circles is subjected to inter-picture prediction using the ~~other~~ progressive video signal indicated by dot circles on both sides of each solid circle with the interval of 1/60 seconds. This inter-picture prediction produces very few prediction errors and a small of amount of codes.